

SESSION #2

M&S FUNDING IN ACQUISITION PROGRAMS

ISSUE

The perception by OSD and others of duplication and stovepiping of M&S efforts, driven by lack of visibility into acquisition program M&S expenditures, invites attacks on AF TOA.

BACKGROUND

- The Jun 95 four-star summit on modeling and simulation endorsed the pervasive use of M&S throughout the Air Force, provided some funding, and recommended competing for additional funding during the FY98-03 POM.
- PBD 870 suggested that there was too much duplication and stovepiping within and among the Services in M&S.
 - PBD directed Services to identify approximately \$200M per year (about \$75M AF share) in duplicative efforts within the 3010, 3020, and 3600 appropriations; and to reprogram these dollars to modernization programs
 - Service inputs would be reviewed by OSD PA&E to determine if any further action would be required.
 - Later, the DPG provided guidance that duplicative M&S funding identified could also be applied toward JSIMS or JWARS. Each Service addressed the problem differently.
 - For the AF, XOM developed a three-phased approach to comply with the PBD/DPG.
 - In Phase One the M&S IPT looked at the approximately \$75M/year “M&S Programs” under its purview and moved funding toward joint programs.
 - In Phase Two all panels’ offsets were examined to determine if they affected “Programs with M&S”. Fortunately, the PBD bogey was achieved by adding the results of Phase One and Phase Two.
 - Phase Three, which was not required, would have levied a bogey against each of the procurement programs to reach the PBD goal.
 - To date these results have been briefed to representatives of the AF Board Structure, the EXCIMS’ Acquisition Council, OSD PA&E, and the JROC’s JRB, among others.

DISCUSSION

- OSD and the Joint Staff may perceive that M&S is a “cash cow” for their favorite programs
- No easy way to identify M&S dollars in financial databases--no PE, no appropriation, no OAC, no cost element. There are M&S programs, and programs that use M&S.
- There is no visibility into M&S use by the program offices since use of M&S is primarily a business decision, and most work breakdown structures don’t capture M&S costs.
- OSD is requiring a new, as yet to be defined M&S exhibit for the FY99-04 POM.

RECOMMENDATION

Implement an accounting system to identify and track M&S costs in acquisition programs.